WASHINGTON (July 15) – When Democrats passed the Dodd-Frank Act a year ago, among the promises they made were that the 2,300-page bill and its 400 new rules would strengthen the economy, stabilize the housing market, end “too big to fail” and streamline the regulatory process.

Now that a year has passed, Republicans on the House Financial Services Committee today issued a report card, giving Dodd-Frank failing grades on living up to those promises.

The one area where Dodd-Frank was judged a “success” -- unfortunately, Republicans said -- was in growing the size and cost of government.

“The Dodd-Frank Act is a failure and a massive roadblock to our economic recovery,” said Congressman Spencer Bachus (AL-6), Chairman of the House Financial Services Committee. “Its 400 regulatory mandates create an atmosphere of uncertainty in which innovators and job creators can’t put their ideas and capital to work.”

To back up the grades they gave Dodd-Frank, the Republicans issued a 28-page report detailing the Act’s failures and how it falls far short of the Democrats’ promises.

The report notes that the promised benefits of Dodd-Frank are largely speculative, “but the costs on the American economy have been quite real.”

“During a period of economic uncertainty and staggering debt and deficits, the Government Accountability Office (GAO) has estimated that, by this time next year, the budgetary cost for Dodd-Frank will exceed $1.25 billion, which has the effect of siphoning off resources that might otherwise have gone toward deficit reduction or private sector job creation,” the report states.

The Committee report says implementing Dodd-Frank requires adding more than 2,800 employees to government payrolls, but “there is no evidence that the Dodd-Frank Act has created any private sector jobs.”

Among the findings of the report:

- Overall budget cost of Dodd-Frank through FY 2012: $1,251,578,000
- Number of government positions created (projected for 2012): 2,849
- Annual labor hours required to comply with just the 10% of Dodd-Frank rules that have been issued so far: 2,260,631
- Number of Americans who will have to work all year, every year solely on complying with all of Dodd-Frank's rules: Over 10,000
- The largest financial institutions in America remain "too big to fail"; in fact, they are even bigger now than they were before Dodd-Frank's passage. In its section of the report on "too big to fail," Republicans note that even Treasury Secretary Timothy Geithner acknowledged the Dodd-Frank Act does not end "too big to fail."
- By institutionalizing a government policy of "too big to fail," Dodd-Frank further skews the competitive landscape in favor of large, complex financial institutions at the expense of smaller institutions and community banks.
- The Dodd-Frank Act failed to address the problems at Fannie Mae and Freddie Mac, which helped spark the financial crisis in 2008, and hobbles the private mortgage market through onerous regulations. This will ensure "that housing will remain in limbo for some time to come, as investors, securitizers, and lenders try to navigate its cumbersome and unworkable rules."

Click here to view the report.